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Gas guzzlers galore

When seen from the sunbaked, snowy peaks of the Wasatch mountains, Salt Lake City is shrouded in smog.

At times, the smog is so thick, the city cannot even be seen from the mountains.

Air quality downtown has become so bad that? the authorities have issued a "red air alert" - pollution levels are so high that many schools have cancelled outdoor breaks for the children

Old people, or those with heart and lung conditions, have been told to avoid exertion outdoors.

Clearly, driving down Emigration Canyon into the city in a half-tonne Chevrolet Suburban sports utility vehicle - or SUV - does little to alleviate the situation.

But higher in the mountains, where a small storm has brought snow to the local ski slopes, the half-tonne truck, with its 4x4 and offroad capabilities, comes into its own.

In Little Cottonwood Canyon, which leads to the remote, high altitude resort Alta, only 4x4 vehicles or cars kitted out with snow chains are permitted to drive following heavy snowfalls.

So it is little wonder that most of the cars in the Alta car park are trucks.

Indeed, with local weather being what it is, many of Salt Lake City's residents are reluctant to give up their thirsty SUVs or pickup trucks.

Downtown at the Costco filling station, where petrol costs \$2.64 (£1.70) a gallon, Conrad Evans is filling up his four-year-old Ford pickup truck.

But he is not complaining. "I get about 12 miles to the gallon in this one," Mr Evans says. "In my last pickup I got about two or three. It cost me \$40 to drive to the other side of Park City, an hour's drive." So although 12 miles to the gallon might not sound like great fuel economy, modern 4x4s are much more efficient than they used to be.

And with petrol prices here having dropped to a national average of about \$3 a gallon, from a peak of more than \$4 when oil prices shot up during the summer of 2008, driving these vehicles has become much more affordable.

So, after a sharp fall in 4x4 sales two years ago, last year saw light truck sales jump 18%, by far outpacing the 5% rise in passenger car sales.

The revival of the American people's love affair with the gas guzzler has been good news for America's Big Three carmakers - General Motors, Ford and Chrysler - which are showing off their metal at the Detroit auto show this week.

During a year when car and truck sales rose 11% to about 11.6 million vehicles, all three enjoyed strong sales. Outpacing their rivals, their joint market shares reached 45.1%, up from 44.2% in 2009.

By the end of 2010, ? it turned out that more than half the vehicles sold in the US that year had been trucks.



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However, with global oil prices set to rise this year, consumers might well soon eye frugal cars again in the same way they did back in 2008.

Mr Evans has certainly started thinking about it. He says he is looking for a smaller Ford that can do 30 miles to the gallon, though he would keep the pickup truck too.

If more Americans were to follow suit and switch to smaller models, the Big Three's relatively heavy reliance on truck sales would be exposed, with many car buyers opting for cars from Japanese or Korean rivals such as Toyota and Hyundai, analysts say. "I would label that as my number one risk to watch for 2011," says Nationwide Mutual Insurance's chief economist, Paul Ballew.

Some analyst say petrol prices have some way to go, however, before the Big Three should start to worry. "Buying behaviour doesn't change dramatically unless gas prices change dramatically," says IHS Automotive analyst Rebecca Lindland. "If they gradually increase, people adjust." Jesse Toprac from the motoring website Truecar.com believes the American people's love for their SUVs is so strong that average prices would need to top \$3.50 a gallon to have much of an impact.

However, Toyota predicts that could happen soon, perhaps even this year, and if it does happen it hopes to benefit. The Japanese carmaker is unveiling new versions of its petrol-electric Prius models at the Detroit auto show this week. GM's Chevrolet Volt, an electric car with a combustion engine range extender, could be another beneficiary. But carmakers' efforts to market these cars by focusing on their environmental credentials might fall on deaf ears as cash-strapped car buyers focus firmly on fuel economy instead. "I am not worried about the environment," says Mr Evans. "It's Him up there who looks after the environment." In 2008, four in 10 car buyers cited environmental factors as important, according to the consumer watchdog Consumer Reports. These days, less than one in three feel that way.

This is unlikely to change quickly. Since the launch in December last year, GM has sold just 326 Volts.

And even if Volt sales were to rocket this year, it would make up just a fraction of the overall sales climb expected during 2011, when US carmakers predict some 13 million cars will be sold.

Rather than flocking towards hybrids and electric cars, many buyers have so-called crossover vehicles firmly on their radar.

These vehicles combine attributes of large 4x4s, such as elevated driving positions and high ground clearance, with those of passenger cars, such as nimble handling and better fuel economy. For Don Johnson, GM's vice-president for US sales, these vehicles offer the perfect solution. "The crossover market is a great example of how consumers can have their cake and eat it too," he says.

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